

# **Sweet Squared Limited**

Registered number: 05900639

## **Annual report and consolidated financial statements**

**For the year ended 31 March 2021**

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**SWEET SQUARED LIMITED**

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**COMPANY INFORMATION**

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| <b>Directors</b>           | S W Sweet<br>S J Sweet<br>J A Nordstrom  |
| <b>Company secretary</b>   | S W Sweet  |
| <b>Registered number</b>   | 05900639   |
| <b>Registered office</b>   | Unit 2<br>Green Park<br>Coal Road<br>Leeds<br>West Yorkshire<br>LS14 1FB                                       |
| <b>Independent auditor</b> | Mazars LLP<br>Chartered Accountants & Statutory Auditor<br>5th Floor<br>3 Wellington Place<br>Leeds<br>LS1 4AP |
| <b>Bankers</b>             | HSBC Bank plc<br>47 Market Street<br>Bradford<br>BD1 1LW   |

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their strategic report and financial statements for the year ended 31 March 2021.

**Strategic Development**

The Group provides a complete offering of exclusive best in show brands for any salon professional and is committed to further advancing the range of products and educational services offered and how those services are delivered.

The year has been particularly challenging due to the imposition of three national lockdowns in April 2020, November 2020 and January 2021, which closed professional salon businesses across 7 months of the year and placed restrictions on and curtailed the scale of the Group's business operations. Our focus throughout the year has been on supporting our salon customers in and out of lockdown, being empathetic to the challenges they were facing and also providing secure and safe employment for the Sweet Squared team.

In September 2021 the Group launched its new website platform to improve its offering to and interaction with customers.

The provision of Education is core to Sweet Squared service to customers. The traditional face to face classroom training was curtailed by Covid restrictions, however we were able to support salons via a variety of on line events. The build for a new on line education platform commenced during the period and will be launched during the next financial year.

**Business Review and Key Performance Indicators**

The Group's sales of £11,830k reduced from £20,599k in the prior year a reduction of 42.6%. Gross profit reduced to £6,030k from £10,253k, a reduction of 41.2% whilst a change in mix in business saw Gross profit % increased to 51.0% from 49.8%. Administrative expenses reduced to £6,408k from £7,703k, a reduction of 16.8%.

Earnings before interest, taxation, depreciation and amortisation (EBITDA), excluding fair value movements, reduced to £992k from £3,061k, a reduction of 67.6% and EBITDA % reduced to 8.3% from 14.9%.

Operating cash flow of £637k reduced from £1,879k in the previous year and contributed to a reduction in cash and cash equivalents of £675k compared to an increase of £2,533k in the previous year.

The Group continues to benefit from a strong balance sheet, with net current assets of £3,352k and net assets of

£7,077k compared to £7,498k and £10,710k respectively at the prior year end.

**Repurchase of own shares**

During the year an agreement was entered into for the Company to repurchase all of the issued C Ordinary shares for total consideration of £1,063k. The beneficial interest to these shares transferred during the year and the legal title transfers upon Completion of the share repurchase. During the year the repurchase of 5 C Ordinary shares was completed and consideration totalling £354k was paid in respect of this Completion. The remaining share repurchases are to be Completed in equal annual tranches over the next 5 years. A liability for the remaining share repurchases yet to be Completed has been recognised at the year end.

**Principal risks and uncertainties**

The Group is exposed to a number of risks and uncertainties which could have a material impact on its long term performance. The Directors have identified those which they regard as being the principal risks and these are set out below:

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. COVID-19**

The impact of COVID-19 has caused widespread disruption to normal patterns of business activity across the world, including the UK. The Group has been affected by the temporary closure of professional salon businesses in the UK and the implementation of other government restrictions in the UK and other countries. In response to these changes the Group implemented a series of measures to support customers, communicate with suppliers and maintain a safe working environment for staff and implement contingency plans. Whilst salon customers were able to re-open in April 2021 and economic activity has resumed it is not possible to predict with certainty the future severity and duration of COVID-19 on the Group's activities going forward. The Group remains vigilant to monitoring these risks and taking appropriate action, including the prudent management of expenses and cashflow.

**2. Other price, market and political risks**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, import tariffs, supplier prices and competitive pressure. Principal risks are managed by appropriate monitoring of the competitive and product landscape, quality and service programmes and through negotiated agreements with its major suppliers. Exchange rate movements are monitored and exposure to foreign currency fluctuation managed by prompt payment of suppliers and the use of forward currency contracts.

**3. Credit risk, liquidity risk and cash flow risk**

The Group's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations. All the business' cash balances are held in such a way that achieves a competitive rate of interest and use is made of settlement discounts offered by suppliers.

The Group is exposed to credit risk with customers. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding to credit terms and limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**Development and performance of the business**

Whilst uncertainty continues to affect UK businesses as a whole, improvements in underlying performance will continue be driven through the Group's continued commitment to service, exclusive valued products and excellence in delivering education to support customers.

This report was approved by the board on 29 July 2021 and signed on its behalf.

**S W Sweet**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

**Directors' responsibilities statement**

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activity**

The principal activity of the Group during the year was that of beauty and cosmetics distributor.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,033,874 (2020 - £1,969,082).

Ordinary dividends amounting to £3,698,728 (2020 - £233,061) were declared during the year.

**Directors**

The directors who served during the year were:

S W Sweet  
S J Sweet  
J A Nordstrom

**Future developments**

The directors foresee price sensitivity due to competitiveness within the industry. Improved performance will be driven through the Company's continued commitment to service and a more extensive range of products and a broader customer base.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Matters covered in the strategic report**

Certain information is not shown in the Directors' Report because it is shown in the Strategic Report on pages 1 and 2 instead under s414C(11). The Strategic Report includes a business review, future developments and information on the Company's key performance indicators.

**Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 and 2. The financial position of the Group, its cash flows, liquidity position and financial risk management are also described in the Strategic Report.

The use of the going concern basis of accounting is appropriate because, in the opinion of the directors, and in view of the Group's strong cash position and ability to remain profitable in significant downturn scenarios there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group to continue as a going concern. The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making their assessment.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 July 2021 and signed on its behalf.

**S W Sweet**  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWEET SQUARED LIMITED**

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**Opinion**

We have audited the financial statements of Sweet Squared Limited (the 'parent company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprises the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated statement of cash flows, the Consolidated analysis of net debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWEET SQUARED LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWEET SQUARED LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the directors intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and compliance with implementation of government support schemes related to Covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, the application of revenue cut off and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWEET SQUARED LIMITED**

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Christopher Hudson (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

30 July 2021

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|  | Note | 2021<br>£               | 2020<br>£               |
|--|------|-------------------------|-------------------------|
| Turnover                               | 4    | 11,829,958              | 20,598,617              |
| Cost of sales                          |      | (5,799,480)             | (10,345,235)            |
| <b>Gross profit</b>                    |      | <u>6,030,478</u>        | <u>10,253,382</u>       |
| Administrative expenses                |      | (6,408,155)             | (7,702,731)             |
| Other operating income                 | 5    | 778,795                 | -                       |
| Fair value movements                   | 18   | 1,030,159               | -                       |
| <b>Operating profit</b>                | 6    | <u>1,431,277</u>        | <u>2,550,651</u>        |
| Income from fixed assets investments   |      | -                       | 34,498                  |
| Interest receivable and similar income | 11   | -                       | 345                     |
| Interest payable and expenses          | 12   | (85,170)                | (85,739)                |
| <b>Profit before tax</b>               |      | <u>1,346,107</u>        | <u>2,499,755</u>        |
| Tax on profit                          | 13   | (312,233)               | (530,673)               |
| <b>Profit for the financial year</b>   |      | <u><u>1,033,874</u></u> | <u><u>1,969,082</u></u> |

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 17 to 42 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2021

|   | Note | 2021<br>£               | 2020<br>£                |
|---|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                         |                          |
| Intangible assets                                       | 16   | 1,982,442               | 2,053,432                |
| Tangible assets   | 17   | 961,914                 | 1,160,837                |
| Investments   | 18   | 2,336,772               | 1,214,266                |
|   |      | <u>5,281,128</u>        | <u>4,428,535</u>         |
| <b>Current assets</b>                                   |      |                         |                          |
| Stocks  | 19   | 5,253,604               | 4,984,546                |
| Debtors: amounts falling due after more than one year   | 20   | 10,333                  | 14,333                   |
| Debtors: amounts falling due within one year            | 20   | 907,964                 | 1,318,777                |
| Cash at bank and in hand                                | 21   | 2,643,346               | 3,318,434                |
|   |      | <u>8,815,247</u>        | <u>9,636,090</u>         |
| Creditors: amounts falling due within one year          | 22   | (5,462,792)             | (2,138,036)              |
| <b>Net current assets</b>                               |      | <u>3,352,455</u>        | <u>7,498,054</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>8,633,583</u>        | <u>11,926,589</u>        |
| Creditors: amounts falling due after more than one year | 23   | (1,133,501)             | (1,042,932)              |
| <b>Provisions for liabilities</b>                       |      |                         |                          |
| Deferred tax  | 26   | (422,944)               | (173,703)                |
| <b>Net assets</b>                                       |      | <u><u>7,077,138</u></u> | <u><u>10,709,954</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                          |
| Called up share capital                                 | 27   | 99                      | 101                      |
| Capital redemption reserve                              | 28   | 3                       | -                        |
| Profit and loss account                                 | 28   | 7,077,036               | 10,709,853               |
|   |      | <u><u>7,077,138</u></u> | <u><u>10,709,954</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2021.

**S W Sweet**  
Director

The notes on pages 17 to 42 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 MARCH 2021

|   | Note | 2021<br>£               | 2020<br>£                |
|---|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                         |                          |
| Intangible assets                                       | 16   | 1,982,442               | 2,053,432                |
| Tangible assets   | 17   | 961,914                 | 1,160,838                |
| Investments   | 18   | 2,536,772               | 1,214,266                |
|   |      | <u>5,481,128</u>        | <u>4,428,536</u>         |
| <b>Current assets</b>                                   |      |                         |                          |
| Stocks  | 19   | 5,253,604               | 4,984,546                |
| Debtors: amounts falling due after more than one year   | 20   | 10,333                  | 14,333                   |
| Debtors: amounts falling due within one year            | 20   | 907,964                 | 1,318,776                |
| Cash at bank and in hand                                | 21   | 2,643,346               | 3,318,434                |
|   |      | <u>8,815,247</u>        | <u>9,636,089</u>         |
| Creditors: amounts falling due within one year          | 22   | (5,662,792)             | (2,138,036)              |
| <b>Net current assets</b>                               |      | <u>3,152,455</u>        | <u>7,498,053</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>8,633,583</u>        | <u>11,926,589</u>        |
| Creditors: amounts falling due after more than one year | 23   | (1,133,501)             | (1,042,932)              |
| <b>Provisions for liabilities</b>                       |      |                         |                          |
| Deferred taxation                                       | 26   | (422,944)               | (10,903)                 |
| <b>Net assets</b>                                       |      | <u><u>7,077,138</u></u> | <u><u>10,872,754</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                          |
| Called up share capital                                 | 27   | 99                      | 101                      |
| Capital redemption reserve                              | 28   | 3                       | -                        |
| Profit and loss account carried forward                 | 28   | 7,077,036               | 10,872,653               |
|   |      | <u><u>7,077,138</u></u> | <u><u>10,872,754</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2021.

**S W Sweet**  
Director

The notes on pages 17 to 42 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

|  | <b>Called up<br/>share capital</b> | <b>Capital<br/>redemption<br/>reserve</b> | <b>Profit and loss<br/>account</b> | <b>Total equity</b> |
|--|------------------------------------|---|------------------------------------|---------------------|
|  | <b>£</b>                           | <b>£</b>                                  | <b>£</b>                           | <b>£</b>            |
| At 1 April 2020                                | 101                                | -   | 10,709,853                         | 10,709,954          |
| <b>Comprehensive income for the year</b>       |                                    |   |                                    |                     |
| Profit for the year                            | -                                  | -   | 1,033,874                          | 1,033,874           |
| <b>Total comprehensive income for the year</b> | -                                  | -   | 1,033,874                          | 1,033,874           |
| Dividends: Equity capital                      | -                                  | -   | (3,698,728)                        | (3,698,728)         |
| Purchase of own shares                         | -                                  | 3   | (967,963)                          | (967,960)           |
| Shares cancelled during the year               | (3)                                | -   | -                                  | (3)                 |
| <b>Total transactions with owners</b>          | (3)                                | 3   | (4,666,691)                        | (4,666,691)         |
| <b>At 31 March 2021</b>                        | <u>98</u>                          | <u>3</u>                                  | <u>7,077,036</u>                   | <u>7,077,137</u>    |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

|  | <b>Called up<br/>share capital</b> | <b>Profit and loss<br/>account</b> | <b>Total equity</b> |
|--|------------------------------------|------------------------------------|---------------------|
|  | <b>£</b>                           | <b>£</b>                           | <b>£</b>            |
| At 1 April 2019                                | 101                                | 8,914,135                          | 8,914,236           |
| <b>Comprehensive income for the year</b>       |                                    |                                    |                     |
| Profit for the year                            | -                                  | 1,969,082                          | 1,969,082           |
| <b>Total comprehensive income for the year</b> | -                                  | 1,969,082                          | 1,969,082           |
| Dividends: Equity capital                      | -                                  | (233,061)                          | (233,061)           |
| Capital contribution                           | -                                  | 59,697                             | 59,697              |
| <b>Total transactions with owners</b>          | -                                  | (173,364)                          | (173,364)           |
| <b>At 31 March 2020</b>                        | <u>101</u>                         | <u>10,709,853</u>                  | <u>10,709,954</u>   |

The notes on pages 17 to 42 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

|  | <b>Called up<br/>share capital</b> | <b>Capital<br/>redemption<br/>reserve</b> | <b>Profit and loss<br/>account</b> | <b>Total equity</b> |
|--|------------------------------------|---|------------------------------------|---------------------|
|  | <b>£</b>                           | <b>£</b>                                  | <b>£</b>                           | <b>£</b>            |
| At 1 April 2020                                | 101                                | -   | 10,872,653                         | 10,872,754          |
| <b>Comprehensive income for the year</b>       |                                    |   |                                    |                     |
| Profit for the year                            | -                                  | -   | 871,074                            | 871,074             |
| <b>Total comprehensive income for the year</b> | -                                  | -   | 871,074                            | 871,074             |
| Dividends: Equity capital                      | -                                  | -   | (3,698,728)                        | (3,698,728)         |
| Purchase of own shares                         | -                                  | 3   | (967,963)                          | (967,960)           |
| Shares cancelled during the year               | (3)                                | -   | -                                  | (3)                 |
| <b>Total transactions with owners</b>          | (3)                                | 3   | (4,666,691)                        | (4,666,691)         |
| <b>At 31 March 2021</b>                        | <u>98</u>                          | <u>3</u>                                  | <u>7,077,036</u>                   | <u>7,077,137</u>    |

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

|  | <b>Called up<br/>share capital</b> | <b>Profit and loss<br/>account</b> | <b>Total equity</b> |
|--|------------------------------------|------------------------------------|---------------------|
|  | <b>£</b>                           | <b>£</b>                           | <b>£</b>            |
| At 1 April 2019                                | 101                                | 9,057,085                          | 9,057,186           |
| <b>Comprehensive income for the year</b>       |                                    |                                    |                     |
| Profit for the year                            | -                                  | 1,988,932                          | 1,988,932           |
| <b>Total comprehensive income for the year</b> | -                                  | 1,988,932                          | 1,988,932           |
| Dividends: Equity capital                      | -                                  | (233,061)                          | (233,061)           |
| Capital contribution                           | -                                  | 59,697                             | 59,697              |
| <b>Total transactions with owners</b>          | -                                  | (173,364)                          | (173,364)           |
| <b>At 31 March 2020</b>                        | <u>101</u>                         | <u>10,872,653</u>                  | <u>10,872,754</u>   |

The notes on pages 17 to 42 form part of these financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| <b>Cash flows from operating activities</b>                    |                  |                  |
| Profit for the financial year                                  | 1,033,874        | 1,969,082        |
| <b>Adjustments for:</b>  |                  |                  |
| Amortisation of intangible assets                              | 375,653          | 270,035          |
| Depreciation of tangible assets                                | 214,986          | 240,787          |
| Profit on disposal of tangible assets                          | -                | (9,534)          |
| Interest payable   | 85,170           | 63,763           |
| Interest and dividends receivable                              | -                | (34,843)         |
| Taxation charge  | 312,233          | 530,673          |
| (Increase)/decrease in stocks                                  | (269,059)        | 1,163,030        |
| Decrease in debtors  | 349,881          | 566,884          |
| Decrease/(increase) in amounts owed by associated undertakings | 64,933           | (73,064)         |
| Decrease in creditors  | (387,368)        | (2,358,335)      |
| Net fair value gains recognised in profit and loss             | (1,030,159)      | -                |
| Corporation tax paid   | (106,000)        | (449,745)        |
| <b>Net cash generated from operating activities</b>            | <u>644,144</u>   | <u>1,878,733</u> |
| <b>Cash flows from investing activities</b>                    |                  |                  |
| Purchase of intangible fixed assets                            | (304,663)        | (133,022)        |
| Purchase of tangible fixed assets                              | (16,062)         | (127,129)        |
| Sale of tangible fixed assets                                  | -                | 79,080           |
| Purchase of unlisted and other investments                     | (92,347)         | -                |
| Interest received  | -                | 345              |
| HP interest paid   | -                | (470)            |
| Dividends received   | -                | 34,498           |
| <b>Net cash from investing activities</b>                      | <u>(413,072)</u> | <u>(146,698)</u> |

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| <b>Cash flows from financing activities</b>                   |                  |                  |
| New bank loans  | -                | 1,500,000        |
| Repayment of bank loans                                       | (324,827)        | (375,000)        |
| Dividends paid  | (198,728)        | (233,061)        |
| Interest paid   | (28,272)         | (24,533)         |
| Repayments on HP agreement                                    | -                | (66,220)         |
| Repurchase of own shares                                      | (354,333)        | -                |
| <b>Net cash used in financing activities</b>                  | (906,160)        | 801,186          |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | (675,088)        | 2,533,221        |
| Cash and cash equivalents at beginning of year                | 3,318,434        | 785,213          |
| <b>Cash and cash equivalents at the end of year</b>           | <u>2,643,346</u> | <u>3,318,434</u> |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                  |                  |
| Cash at bank and in hand                                      | 2,643,346        | 3,318,434        |
|   | <u>2,643,346</u> | <u>3,318,434</u> |

The notes on pages 17 to 42 form part of these financial statements.

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2021**

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|                                 | <b>At 1 April 2020</b> | <b>Cash flows</b> | <b>Non-cash</b>    | <b>At 31 March</b> |
|---------------------------------|------------------------|-------------------|--------------------|--------------------|
|                                 | <b>£</b>               | <b>£</b>          | <b>movements</b>   | <b>2021</b>        |
|                                 |                        |                   | <b>£</b>           | <b>£</b>           |
| Cash at bank and in hand        | 3,318,434              | (675,088)         | -                  | 2,643,346          |
| Debt due after more than 1 year |                        |                   |                    |                    |
| Bank and other loans            | (1,042,932)            | -                 | (90,569)           | (1,133,501)        |
| Debt due within 1 year          |                        |                   |                    |                    |
| Bank and other loans            | (500,000)              | 324,827           | (584,742)          | (759,915)          |
| Directors loans                 | (6,578)                | 104,702           | (3,500,000)        | (3,401,876)        |
|                                 | <u>1,768,924</u>       | <u>(245,559)</u>  | <u>(4,175,311)</u> | <u>(2,651,946)</u> |

The notes on pages 17 to 42 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

Sweet Squared Limited ("the company") is a limited company incorporated in England and Wales.

The legal form of the Company is that of a company limited by shares.

The address of the registered office and principal place of business is:

Unit 2 Green Park

Coal Road

Leeds

West Yorkshire

LS14 1FB

The principal activity of the Group during the year was that of beauty and cosmetics distributor.

These financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

There have been no material impacts as a result of adopting the triennial review of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

YOURS Cosmetics B.V. is an 80% owned subsidiary acquired in the year, the company is not included in the consolidation due to being immaterial to the group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1. The financial position of the company, its cash flows, liquidity position and financial risk management are also described in the Strategic Report.

The use of the going concern basis of accounting is appropriate because, in the opinion of the directors, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making their assessment

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.8 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

**2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.15 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life. The directors consider the useful life of goodwill to be 10 years.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The directors consider the useful life of other intangible assets such as software to be 3 years.

**2.16 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.16 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

|                     |     |                  |
|---------------------|-----|------------------|
| Motor vehicles      | - 3 | years            |
| Fixtures & fittings | - 2 | years / 10 years |
| Equipment           | - 3 | years            |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.18 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.19 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.20 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.21 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.22 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

**2.23 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Critical judgements in applying the accounting policies**

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below:

**(i) Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment associated with investments, tangible and intangible assets, stock and receivables, the directors have considered both external and internal sources of information such as market values, changes in technological, economic and legal environments, evidence of obsolescence or physical damage of assets and declines in economic performance.

**Key sources of estimation uncertainty****(i) Slow moving and obsolete stock provisions**

The Group holds an extensive product range in stock. The directors apply a provision to stock lines based on age and anticipated throughput of stock, with a greater provision applied to those items with the longest stock holding periods.

**(ii) Fair value of unlisted shares**

The Group holds a material investment in unlisted shares which are held at fair value. The directors have estimated the fair value of these shares by reference to an active market price at the year end. This has resulted in a fair value gain of £1,030,159.

**4. Turnover**

Analysis of turnover by country of destination:

|                | 2021<br>£         | 2020<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 11,678,939        | 19,470,090        |
| Rest of world  | 151,019           | 1,128,527         |
|                | <u>11,829,958</u> | <u>20,598,617</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

5. Other operating income

|                              | 2021<br>£      | 2020<br>£ |
|------------------------------|----------------|-----------|
| Government grants receivable | 778,795        | -         |
|                              | <u>778,795</u> | <u>-</u>  |

6. Operating profit

The operating profit is stated after charging:

|                                   | 2021<br>£      | 2020<br>£      |
|-----------------------------------|----------------|----------------|
| Exchange differences              | 9,306          | 26,195         |
| Other operating lease rentals     | 416,492        | 413,913        |
| Pension contributions             | 86,831         | 87,182         |
| Depreciation of tangible assets   | 214,986        | 240,787        |
| Amortisation of intangible assets | <u>375,653</u> | <u>270,035</u> |

7. Auditor's remuneration

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | <u>25,000</u> | <u>25,000</u> |

**Fees payable to the Group's auditor in respect of:**

|                              |               |               |
|------------------------------|---------------|---------------|
| Taxation compliance services | 3,250         | 3,250         |
| All other services           | <u>9,243</u>  | <u>29,991</u> |
|                              | <u>12,493</u> | <u>33,241</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

|                                     | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Wages and salaries                  | 3,424,211                   | 3,495,008                   |
| Social security costs               | 377,793                     | 366,840                     |
| Cost of defined contribution scheme | 86,831                      | 87,182                      |
|                                     | <u>3,888,835</u>            | <u>3,949,030</u>            |

The average monthly number of employees, including the directors, during the year was as follows:

|                | <b>2021<br/>No.</b> | <b>2020<br/>No.</b> |
|----------------|---------------------|---------------------|
| Distribution   | 23                  | 21                  |
| Administration | 67                  | 70                  |
| Management     | 21                  | 15                  |
|                | <u>111</u>          | <u>106</u>          |

**9. Directors' remuneration**

|   | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|---|-------------------|-------------------|
| Directors' emoluments   | 11,511            | 11,196            |
| Company contributions to defined contribution pension schemes | 24,000            | 24,000            |
|   | <u>35,511</u>     | <u>35,196</u>     |

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

**10. Income from investments**

|  | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|--|-------------------|-------------------|
| Dividends received from unlisted investments | -                 | 34,498            |
|  | <u>-</u>          | <u>34,498</u>     |

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**11. Interest receivable**

|                           | 2021<br>£ | 2020<br>£ |
|---------------------------|-----------|-----------|
| Other interest receivable | -         | 345       |

**12. Interest payable and similar expenses**

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Bank interest payable                      | 28,272        | 46,507        |
| Other loan interest payable                | 56,898        | 38,762        |
| Finance leases and hire purchase contracts | -             | 470           |
|  | <u>85,170</u> | <u>85,739</u> |

**13. Taxation**

|  | 2021<br>£      | 2020<br>£       |
|--|----------------|-----------------|
| <b>Corporation tax</b>                           |                |                 |
| Current tax on profits for the year              | 107,784        | 528,526         |
| Adjustments in respect of previous periods       | (44,792)       | 14,646          |
| <b>Total current tax</b>                         | <u>62,992</u>  | <u>543,172</u>  |
| <b>Deferred tax</b>                              |                |                 |
| Origination and reversal of timing differences   | 199,601        | (10,517)        |
| Adjustments in respect of prior periods          | 49,640         | (6,327)         |
| Effect of tax rate change on opening balance     | -              | 4,345           |
| <b>Total deferred tax</b>                        | <u>249,241</u> | <u>(12,499)</u> |
| <b>Taxation on profit on ordinary activities</b> | <u>312,233</u> | <u>530,673</u>  |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**13. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£             | 2020<br>£             |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax   | <u>1,346,107</u>      | <u>2,499,795</u>      |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 255,760               | 474,953               |
| <b>Effects of:</b>   |                       |                       |
| Expenses not deductible for tax purposes   | 10,343                | 10,031                |
| Fixed asset differences  | 55,987                | 8,999                 |
| Adjustments to tax charge in respect of prior periods  | (44,792)              | 14,646                |
| Adjustments to tax charge in respect of prior periods - deferred tax                                       | 49,640                | (6,327)               |
| Adjust opening deferred tax to average rate of 19%   | -                     | 4,345                 |
| Adjust deferred tax on fair value of investment to 19%   | -                     | 19,850                |
| Non-taxable fair value movements   | (195,730)             | -                     |
| Capital gains  | 181,100               | -                     |
| Other differences leading to an increase in the tax charge   | (75)                  | 4,176                 |
| <b>Total tax charge for the year</b>   | <u><u>312,233</u></u> | <u><u>530,673</u></u> |

**Factors that may affect future tax charges**

The UK corporation tax rate was 19% throughout the year.

The UK Government announced in the 2021 budget that from 1 April 2023, the main rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is the new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profit increases.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**14. Dividends**

|                   | 2021<br>£      | 2020<br>£      |
|-------------------|----------------|----------------|
| <b>A Ordinary</b> |                |                |
| Final dividend    | 2,246,914      | -              |
| <b>B Ordinary</b> |                |                |
| Final dividend    | 1,253,086      | -              |
| <b>D Ordinary</b> |                |                |
| Interim paid      | <u>198,728</u> | <u>233,061</u> |

**15. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £871,074 (2020 - £1,988,932).

**16. Intangible assets****Group**

|                                     | Computer<br>software<br>£ | Goodwill<br>£    | Total<br>£       |
|-------------------------------------|---------------------------|------------------|------------------|
| <b>Cost</b>                         |                           |                  |                  |
| At 1 April 2020                     | 130,518                   | 2,202,970        | 2,333,488        |
| Additions                           | 304,663                   | -                | 304,663          |
| At 31 March 2021                    | <u>435,181</u>            | <u>2,202,970</u> | <u>2,638,151</u> |
| <b>Amortisation</b>                 |                           |                  |                  |
| At 1 April 2020                     | 32,516                    | 247,540          | 280,056          |
| Charge for the year on owned assets | 128,113                   | 247,540          | 375,653          |
| At 31 March 2021                    | <u>160,629</u>            | <u>495,080</u>   | <u>655,709</u>   |
| <b>Net book value</b>               |                           |                  |                  |
| At 31 March 2021                    | <u>274,552</u>            | <u>1,707,890</u> | <u>1,982,442</u> |
| <b>At 31 March 2020</b>             | <u>98,002</u>             | <u>1,955,430</u> | <u>2,053,432</u> |



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**16. Intangible assets (continued)**

Goodwill arose on the 100% acquisition of The Icon Consultancy Limited, a company incorporated in England and Wales. The goodwill is being amortised over 10 years on a straight line basis which is considered to be the period over which the group will derive economic benefit from the underlying assets acquired.

**Company**

|                         | <b>Computer<br/>software</b> | <b>Goodwill</b>  | <b>Total</b>     |
|-------------------------|------------------------------|------------------|------------------|
|                         | <b>£</b>                     | <b>£</b>         | <b>£</b>         |
| <b>Cost</b>             |                              |                  |                  |
| At 1 April 2020         | 130,518                      | 2,202,970        | 2,333,488        |
| Additions               | 304,663                      | -                | 304,663          |
| At 31 March 2021        | <u>435,181</u>               | <u>2,202,970</u> | <u>2,638,151</u> |
| <b>Amortisation</b>     |                              |                  |                  |
| At 1 April 2020         | 32,516                       | 247,540          | 280,056          |
| Charge for the year     | 128,113                      | 247,540          | 375,653          |
| At 31 March 2021        | <u>160,629</u>               | <u>495,080</u>   | <u>655,709</u>   |
| <b>Net book value</b>   |                              |                  |                  |
| At 31 March 2021        | <u>274,552</u>               | <u>1,707,890</u> | <u>1,982,442</u> |
| <b>At 31 March 2020</b> | <u>98,002</u>                | <u>1,955,430</u> | <u>2,053,432</u> |

Goodwill relates to the trade and assets of The Icon Consultancy Limited which were hived into Sweet Squared Limited shortly after the Group acquired the entity.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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## 17. Tangible fixed assets

## Group

|                                     | Motor vehicles | Fit out, fixtures<br>& fittings | Office<br>equipment | Total            |
|-------------------------------------|----------------|---------------------------------|---------------------|------------------|
|                                     | £              | £                               | £                   | £                |
| <b>Cost or valuation</b>            |                |                                 |                     |                  |
| At 1 April 2020                     | 36,289         | 1,676,010                       | 201,268             | 1,913,567        |
| Additions                           | -              | 4,941                           | 11,121              | 16,062           |
| At 31 March 2021                    | <u>36,289</u>  | <u>1,680,951</u>                | <u>212,389</u>      | <u>1,929,629</u> |
| <b>Depreciation</b>                 |                |                                 |                     |                  |
| At 1 April 2020                     | 36,289         | 566,046                         | 150,395             | 752,730          |
| Charge for the year on owned assets | -              | 189,049                         | 25,937              | 214,986          |
| At 31 March 2021                    | <u>36,289</u>  | <u>755,095</u>                  | <u>176,332</u>      | <u>967,716</u>   |
| <b>Net book value</b>               |                |                                 |                     |                  |
| At 31 March 2021                    | <u>-</u>       | <u>925,856</u>                  | <u>36,057</u>       | <u>961,913</u>   |
| <b>At 31 March 2020</b>             | <u>-</u>       | <u>1,109,964</u>                | <u>50,874</u>       | <u>1,160,838</u> |

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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## 17. Tangible fixed assets (continued)

## Company

|                                     | Motor vehicles | Fit out, fixtures<br>& fittings | Office<br>equipment | Total            |
|-------------------------------------|----------------|---------------------------------|---------------------|------------------|
|                                     | £              | £                               | £                   | £                |
| <b>Cost or valuation</b>            |                |                                 |                     |                  |
| At 1 April 2020                     | 36,289         | 1,676,010                       | 201,269             | 1,913,568        |
| Additions                           | -              | 4,941                           | 11,120              | 16,061           |
| At 31 March 2021                    | <u>36,289</u>  | <u>1,680,951</u>                | <u>212,389</u>      | <u>1,929,629</u> |
| <b>Depreciation</b>                 |                |                                 |                     |                  |
| At 1 April 2020                     | 36,289         | 566,046                         | 150,395             | 752,730          |
| Charge for the year on owned assets | -              | 189,049                         | 25,937              | 214,986          |
| At 31 March 2021                    | <u>36,289</u>  | <u>755,095</u>                  | <u>176,332</u>      | <u>967,716</u>   |
| <b>Net book value</b>               |                |                                 |                     |                  |
| At 31 March 2021                    | <u>-</u>       | <u>925,856</u>                  | <u>36,057</u>       | <u>961,913</u>   |
| <b>At 31 March 2020</b>             | <u>-</u>       | <u>1,109,964</u>                | <u>50,875</u>       | <u>1,160,839</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**18. Fixed asset investments****Group**

|                          | <b>Unlisted<br/>Investments</b> | <b>Investment in<br/>subsidiary</b> | <b>Total</b>     |
|--------------------------|---------------------------------|-------------------------------------|------------------|
|                          | <b>£</b>                        | <b>£</b>                            | <b>£</b>         |
| <b>Cost or valuation</b> |                                 |                                     |                  |
| At 1 April 2020          | 1,214,266                       | -                                   | 1,214,266        |
| Additions                | -                               | 92,347                              | 92,347           |
| Revaluations             | 1,030,159                       | -                                   | 1,030,159        |
| At 31 March 2021         | 2,244,425                       | 92,347                              | 2,336,772        |
| <b>Net book value</b>    |                                 |                                     |                  |
| At 31 March 2021         | <u>2,244,425</u>                | <u>92,347</u>                       | <u>2,336,772</u> |
| <b>At 31 March 2020</b>  | <u>1,214,266</u>                | <u>-</u>                            | <u>1,214,266</u> |

An investment totalling £92,347 was made during the year to acquire an 80% shareholding in YOURS Cosmetics B.V.. The subsidiary is considered to be immaterial to the Group's performance and position at 31 March 2021 and is therefore not included in the consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**
**Company**

|                          | <b>Investments in<br/>subsidiary<br/>companies</b> | <b>Unlisted<br/>investments</b> | <b>Total</b>     |
|--------------------------|--|---------------------------------|------------------|
|                          | <b>£</b>   | <b>£</b>                        | <b>£</b>         |
| <b>Cost or valuation</b> |  |                                 |                  |
| At 1 April 2020          | 5,336,362  | -                               | 5,336,362        |
| Additions                | 92,347   | 1,214,266                       | 1,306,613        |
| Revaluations             | -  | 1,030,159                       | 1,030,159        |
| At 31 March 2021         | <u>5,428,709</u>                                   | <u>2,244,425</u>                | <u>7,673,134</u> |
| <b>Impairment</b>        |  |                                 |                  |
| At 1 April 2020          | 4,122,096  | -                               | 4,122,096        |
| Charge for the period    | 1,014,266  | -                               | 1,014,266        |
| At 31 March 2021         | <u>5,136,362</u>                                   | <u>-</u>                        | <u>5,136,362</u> |
| <b>Net book value</b>    |  |                                 |                  |
| At 31 March 2021         | <u>292,347</u>                                     | <u>2,244,425</u>                | <u>2,536,772</u> |
| <b>At 31 March 2020</b>  | <u>1,214,266</u>                                   | <u>-</u>                        | <u>1,214,266</u> |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                  | <b>Class of<br/>shares</b> | <b>Holding</b> |
|------------------------------|----------------------------|----------------|
| The Icon Consultancy Limited |                            | 100            |
|                              | Ordinary                   | %              |
| YOURS Cosmetics B.V.         |                            | 80             |
|                              | Ordinary                   | %              |

The registered office of The Icon Consultancy Limited is Unit 2 Green Park, Coal Road, Leeds, West Yorkshire, LS14 1FB.

The Icon Consultancy Limited was exempt from the requirements relating to the audit of individual accounts by virtue of section 479a of the Companies Act 2006.

The registered office of YOURS Cosmetics B.V. is Sterrenwacht 75, 3901SV, Veendendaal, Netherlands.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 March 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name                         | Aggregate of<br>share capital<br>and reserves | Profit  |
|------------------------------|---|---------|
|                              | £   | £       |
| The Icon Consultancy Limited | 200,000                                       | 856,840 |
| YOURS Cosmetics B.V.         | 88,483  | 3,297   |

**19. Stocks**

|                                     | Group<br>2021    | Group<br>2020    | Company<br>2021  | Company<br>2020  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | £                | £                | £                | £                |
| Finished goods and goods for resale | <u>5,253,604</u> | <u>4,984,546</u> | <u>5,253,604</u> | <u>4,984,546</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

20. Debtors

|                                     | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Due after more than one year</b> |                    |                    |                      |                      |
| Other debtors                       | <u>10,333</u>      | <u>14,333</u>      | <u>10,333</u>        | <u>14,333</u>        |

|   | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| <b>Due within one year</b>              |                    |                    |                      |                      |
| Trade debtors                           | 413,214            | 790,393            | 413,214              | 790,393              |
| Amounts owed by associated undertakings | 34,317             | 99,250             | 34,317               | 99,250               |
| Other debtors                           | 93,169             | 26,390             | 93,169               | 26,389               |
| Prepayments and accrued income          | 367,264            | 402,744            | 367,264              | 402,744              |
|   | <u>907,964</u>     | <u>1,318,777</u>   | <u>907,964</u>       | <u>1,318,776</u>     |

21. Cash and cash equivalents

|                          | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>2,643,346</u>   | <u>3,318,434</u>   | <u>2,643,346</u>     | <u>3,318,434</u>     |
|                          | <u>2,643,346</u>   | <u>3,318,434</u>   | <u>2,643,346</u>     | <u>3,318,434</u>     |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**22. Creditors: Amounts falling due within one year**

|                                    | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> | <b>Company<br/>2021<br/>£</b> | <b>Company<br/>2020<br/>£</b> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans                         | 649,653                     | 500,000                     | 649,653                       | 500,000                       |
| Trade creditors                    | 615,435                     | 866,885                     | 615,435                       | 866,885                       |
| Amounts owed to group undertakings | -                           | -                           | 200,000                       | -                             |
| Corporation tax                    | 212,824                     | 255,832                     | 212,824                       | 255,832                       |
| Other taxation and social security | 245,671                     | 308,832                     | 245,671                       | 308,832                       |
| Other creditors                    | 3,505,601                   | 7,583                       | 3,505,601                     | 7,583                         |
| Accruals and deferred income       | 233,608                     | 198,904                     | 233,608                       | 198,904                       |
|                                    | <u>5,462,792</u>            | <u>2,138,036</u>            | <u>5,662,792</u>              | <u>2,138,036</u>              |

The bank loan is secured by a debenture dated 16 April 2009 which incorporates a fixed charge over all present freehold and leasehold property of the company and a first fixed charge over all other present and future assets of the company.

**23. Creditors: Amounts falling due after more than one year**

|                 | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> | <b>Company<br/>2021<br/>£</b> | <b>Company<br/>2020<br/>£</b> |
|-----------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans      | 150,520                     | 625,000                     | 150,520                       | 625,000                       |
| Other loans     | 467,462                     | 417,932                     | 467,462                       | 417,932                       |
| Other creditors | 515,519                     | -                           | 515,519                       | -                             |
|                 | <u>1,133,501</u>            | <u>1,042,932</u>            | <u>1,133,501</u>              | <u>1,042,932</u>              |



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**24. Loans**

|  | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| <b>Amounts falling due within one year</b> |                    |                    |                      |                      |
| Bank loans                                 | 649,653            | 500,000            | 649,653              | 500,000              |
| <b>Amounts falling due 1-2 years</b>       |                    |                    |                      |                      |
| Bank loans                                 | 150,520            | 625,000            | 150,520              | 625,000              |
| <b>Amounts falling due 2-5 years</b>       |                    |                    |                      |                      |
| Other loans                                | 467,462            | 417,932            | 467,462              | 417,932              |
|  | <u>1,267,635</u>   | <u>1,542,932</u>   | <u>1,267,635</u>     | <u>1,542,932</u>     |

**25. Financial instruments**

|  | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| <b>Financial assets</b>  |                    |                    |                      |                      |
| Cash and cash equivalents                                      | 2,643,346          | 3,318,434          | 2,643,346            | 3,318,434            |
| Financial assets measured at fair value through profit or loss | 2,336,772          | 1,214,266          | 2,336,772            | 1,214,266            |
| Financial assets measured at amortised cost                    | 551,034            | 930,366            | 551,034              | 930,366              |
|  | <u>5,531,152</u>   | <u>5,463,066</u>   | <u>5,531,152</u>     | <u>5,463,066</u>     |
| <b>Financial liabilities</b>                                   |                    |                    |                      |                      |
| Financial liabilities measured at amortised cost               | <u>(6,144,543)</u> | <u>(2,616,304)</u> | <u>(6,344,543)</u>   | <u>(2,616,304)</u>   |

Financial assets measured at fair value through profit or loss comprise investments in unlisted shares.

Financial assets measured at amortised cost comprise trade and other debtors, and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise bank and other loans, trade and other creditors, amounts owed to group undertakings and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**26. Deferred taxation****Group**

|                                      | <b>2021</b>             | <b>2020</b>             |
|--------------------------------------|-------------------------|-------------------------|
|                                      | <b>£</b>                | <b>£</b>                |
| At beginning of year                 | (173,703)               | (186,202)               |
| Credited/(charged) to profit or loss | (249,241)               | 12,499                  |
| <b>At end of year</b>                | <u><u>(422,944)</u></u> | <u><u>(173,703)</u></u> |

**Company**

|                                     | <b>2021</b>             | <b>2020</b>            |
|-------------------------------------|-------------------------|------------------------|
|                                     | <b>£</b>                | <b>£</b>               |
| At beginning of year                | (10,903)                | (43,252)               |
| Credited(charged) to profit or loss | (412,041)               | 32,349                 |
| <b>At end of year</b>               | <u><u>(422,944)</u></u> | <u><u>(10,903)</u></u> |

The provision for deferred taxation is made up as follows:

|                                | <b>Group</b>          | <b>Group</b>          | <b>Company</b>        | <b>Company</b>       |
|--------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
|                                | <b>2021</b>           | <b>2020</b>           | <b>2021</b>           | <b>2020</b>          |
|                                | <b>£</b>              | <b>£</b>              | <b>£</b>              | <b>£</b>             |
| Accelerated capital allowances | 79,044                | 10,903                | 79,044                | 10,903               |
| Fair value adjustments         | 343,900               | 162,800               | 343,900               | -                    |
|                                | <u><u>422,944</u></u> | <u><u>173,703</u></u> | <u><u>422,944</u></u> | <u><u>10,903</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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**27. Share capital**

|  | <b>2021</b>  | <b>2020</b>   |
|--|--------------|---------------|
|  | <b>£</b>     | <b>£</b>      |
| <b>Allotted, called up and fully paid</b>        |              |               |
| 104 (2020 - 104) A Ordinary shares of £0.50 each | 52.00        | 52.00         |
| 58 (2020 - 58) B Ordinary shares of £0.50 each   | 29.00        | 29.00         |
| 10 (2020 - 15) C Ordinary shares of £0.50 each   | 5.00         | 7.50          |
| 25 (2020 - 25) D Ordinary shares of £0.50 each   | 12.50        | 12.50         |
|  | <hr/>        | <hr/>         |
|  | <u>98.50</u> | <u>101.00</u> |

**Share repurchase**

During the year an agreement was entered into for the Company to repurchase all of the issued C Ordinary shares for total consideration of £1,063,000. The beneficial interest to these shares transferred during the year and the legal title transfers upon Completion of the share repurchase. During the year the repurchase of 5 C Ordinary shares was completed and consideration totalling £354,333 was paid in respect of this Completion. The remaining share repurchases are to be Completed in equal annual tranches over the next 5 years. A liability for the remaining share repurchases yet to be Completed has been recognised at the year end.

**Rights attached to shares**

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. The shares rank pari passu.

**28. Reserves****Capital redemption reserve**

This reserve represents the nominal value of share capital that has been repurchased during the period.

**Profit & loss account**

This reserve represents cumulative retained profits and capital contributions less dividends paid.

**29. Pension commitments**

The Company operates a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £86,831 (2020 - £87,182).

Contributions totalling £12,185 (2020 - £12,746) were payable to the fund at the balance sheet date and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**30. Commitments under operating leases**

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> |
|--|-----------------------------|-----------------------------|
| <b>Land and Buildings</b>                    |                             |                             |
| Not later than 1 year                        | 275,448                     | 275,448                     |
| Later than 1 year and not later than 5 years | 962,954                     | 998,401                     |
| Later than 5 years                           | 360,000                     | 600,000                     |
|  | <u>1,598,402</u>            | <u>1,873,849</u>            |
|  | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> |
| <b>Equipment and vehicles</b>                |                             |                             |
| Not later than 1 year                        | 141,044                     | 146,134                     |
| Later than 1 year and not later than 5 years | 104,829                     | 240,673                     |
|  | <u>245,873</u>              | <u>386,807</u>              |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**31. Related party transactions**

At the year end the directors held loan account balances which were in credit totalling £3,401,876 (2020 - £6,578). No interest is charged on loan accounts whether in debit or credit, all amounts are repayable on demand.

During the year an agreement was entered into for the Company to repurchase all of the issued C Ordinary shares for total consideration of £1,063,000. The beneficial interest to these shares transferred during the year and the legal title transfers upon Completion of the share repurchase. During the year the repurchase of 5 C Ordinary shares was completed and consideration totalling £354,333 was paid in respect of this Completion. The remaining share repurchases are to be Completed in equal annual tranches over the next 5 years. A liability for the remaining share repurchases yet to be Completed has been recognised at the year end at its present value of £625,782.

During the year, the Company declared dividends totalling £3,698,728 (2020 - £233,061) to the shareholders.

During the year, the Company made sales totalling £406,977 (2020 - £669,832) to Companies under the common control of the shareholders of Sweet Squared Limited. A trade amount totalling £38,315 (2020 - £99,250) is outstanding at the year end to be repaid on normal trade terms.

At the year end, a loan advanced by a connected company is outstanding totalling €700,000 (2020 - €700,000) on an interest free basis to be repaid in full during December 2022.

During the year the Company was charged rent totalling £240,000 (2020 - £240,000) from a company under the control of the majority shareholders of Sweet Squared Limited.

During the year Sweet Squared Limited made purchases totalling £122,389 (2020 - £147,682) from Companies under the common control of the Directors of Sweet Squared Limited. At the year end, trade creditors included £1,660 (2020 - £Nil) in respect of these transactions.

During the year Sweet Squared Limited made purchases totalling £13,222 (2020 - £73,951) from Companies under the control of common Directors of other related parties of Sweet Squared Limited. At the year end, trade creditors included £Nil (2020 - £440) in respect of these transactions.

During the year Sweet Squared Limited made purchases totalling £21,742 (2020 - Nil) from a company that is 80% owned by Sweet Squared Limited. At the year end trade creditors included £1,327 (2020 - Nil) in respect of these transactions.

During the year Sweet Squared Limited made purchases totalling £49,520 (2020 - £48,034) from Companies in which close family members of the Directors have a significant influence. At the year end, trade creditors included £Nil (2020 - £2,999) in respect of these transactions.

**32. Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**33. Controlling party**

The Company is controlled by S W Sweet.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.